

Institutional Investing: How Social Media Informs and Shapes the Investing Process

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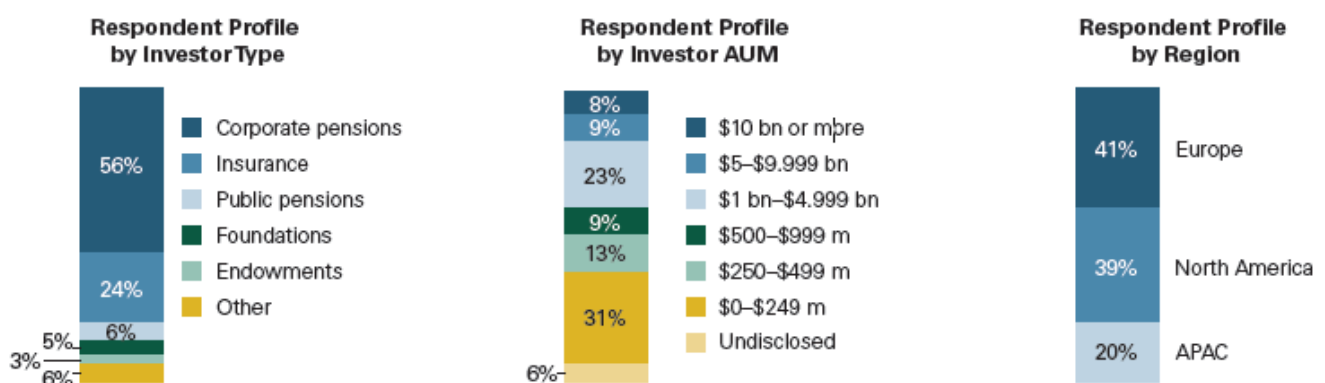
Executive Summary:

The importance of social media in today's world has not been missed by institutional investors. Interviews with over 250 asset owners found that 4 out of 5 institutional investors frequently use social media platforms at work. Furthermore, nearly one-third of those investors also confirmed that the information they have consumed through social media has, in fact, impacted their investment decision process. Knowing that these decisions can result in the allocation of hundreds of millions of investment dollars, it is certainly notable that social media platforms are more often playing a role in achieving institutional investors' workflows.

Asset managers—those looking to attract the aforementioned allocations—must therefore implement an effective social media strategy. While the importance of fund returns is paramount, the impact of content that is unique, insightful, and ideally, actionable can be significant. For successful firms to retain and grow their footprint, using social media to distribute the company's messages and ideas could bring a greater return than a full-page ad in the financial press. Either way, we know this for sure: Social media is officially part of the financial services mainstream.

Methodology:

Greenwich Associates conducted 256 interviews of institutional investors between November and December 2014. Research participants included public and private pensions, insurance companies, and foundations and endowments in the United States, Europe and Asia. They varied in size from under \$250 million in assets to over \$10 billion. Interview topics ranged from their overall use of digital and social media platforms to the role these information sources have in their selection of fund managers.



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